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C O N F I D E N T I A L SECTION 01 OF 02 SANTO DOMINGO 001366

SIPDIS

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EAP; NSC FOR SHANNON;
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SUBJECT: DOMINICAN REPUBLIC: TAIWAN FOREIGN MINISTER VISITS

REF: SANTO DOMINGO 579 (NOTAL)

Classified By: ECOPOL Counselor Michael Meigs.Reason 1.5 (b) and (d).

1. (SBU) Summary: Taiwan Foreign Minister Tan-Sun Chen visited the Dominican Republic February 24-25 to shore up bilateral relations in response to several recent visits by PRC officials. President Fernandez announced that he would visit Taiwan in April, signalling that he intends to maintain relations with Taipei for the time being. Dominican Foreign Minister Carlos Morales Troncoso decorated Chen, and the two signed a letter of intent to begin negotiations on a free trade agreement before the end of 2005. Taiwan also donated US \$7.5 million to a high-tech industrial park being promoted by the Fernandez administration. The Taiwan ambassador here continues his efforts to attract investment to the Dominican Republic, which he characterizes as a "serious venue" for Taiwan's relations with the Caribbean region. End summary.

2. (C) Taiwan,s Ambassador to the Dominican Republic, John Feng, says that recent visits to the Dominican Republic have added to Taipei,s concern about its receding diplomatic relations in the Caribbean. In the past six months, three Chinese commercial delegations and senior Chinese Communist Party officials visited Santo Domingo, and 10 Dominican senators (mostly from the opposition PRD) toured China at the invitation of PRC authorities.

3. (U) Taiwan,s Foreign Minister Tan-Sun Chen countered these Chinese initiatives with a trip to the region last month to visit Haiti and, on February 24-25, the Dominican Republic. Chen and his party called on President Fernndez, Vice President Rafael Albuquerque, legislative leaders and Foreign Minister Carlos Morales Troncoso.

4. (SBU) The results in Santo Domingo:

- - Fernandez accepted an invitation for himself, First Lady Margarita Ceden de Fernandez, and Morales Troncoso to visit Taiwan. The president plans a two-day stopover on a trip in mid-April that will include an international financial meeting in Okinawa and stops in Singapore and Tokyo. Dominican MFA Asia director Miriam Nadal says this visit will reaffirm Dominican ties to the Taiwan government, which date back to 1947.

- - Chen and Morales Troncoso signed a letter of intent to begin negotiating a free trade agreement before the end of the year. "We,ve been trying to do this for many years, but until now the Dominicans were unreceptive," Ambassador Feng said.

- - Taiwan donated US \$7.5 million to a government-planned "Instituto Tecnologico de las Americas," a project designed to attract private investment in information processing and related activities. The grant will help pay for infrastructure such as buildings, computer servers, and emergency power.

- - Chen received a decoration from the Dominican Government. Both sides affirmed their goal of increasing political, cultural, and economic exchanges.

Two-Way Trade and Investment

5. (SBU) Feng said the Dominican Republic imports about US\$ 100 million worth of goods and services from Taiwan annually and exports only about USD 6 million; trade figures for the PRC are almost identical. Taiwan private investments here total about USD 100 million, while China has virtually none. Feng noted the difficulty his embassy had had in attracting Taiwan investors here. He said State Investment Council chair Eddy Martinez and Agriculture Secretary Amilcar Romero had just returned from a trip to Taiwan, accompanied by Dominican entrepreneurs, to seek foreign investors.

6. (U) There are some 500 Chinese from Taiwan and 60 Taiwan businesses in the Dominican Republic. In contrast, Feng

said, Haiti has only 7 or 8 persons from Taiwan, representing 2 families and 2 businesses.

Comment

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17. (C) The announcement of Fernandez,s upcoming visit to Taipei lends weight to the MFA,s oft-repeated line to us that "there is no change in the position of the Dominican Republic."
HERTELL